

**OKOBOJI
COMMUNITY SCHOOL DISTRICT**

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2005

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OKOBOJI COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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BOARD OF EDUCATION

(Before September, 2004 Election)

Kurt Eckard	President	2004
Tom Clary	Vice President	2005
Mike Chozen		2006
Mark Fisher		2005
Ryan Rohlk		2004

(After September, 2004 Election)

Tom Clary	President	2005
Ryan Rohlk	Vice President	2007
Mike Chozen		2006
Mark Fisher		2005
Phil Miklo		2007

SCHOOL OFFICIALS

Robert Miller	Superintendent
Katy Sporrer	District Secretary/ Treasurer

Independent Auditor's Report

To The Board of Education of the
Okoboji Community School District:

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of Okoboji Community School District, Huxley, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of Okoboji Community School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our reports dated September 15, 2005 on our consideration of Okoboji Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 12 and 34 through 36 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Okoboji Community School District's basic financial statements. The financial statements for the three years ended June 30, 2004 (none of which are presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BRUCE D. FRINK
Certified Public Accountant

September 15, 2005

OKOBOJI COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Okoboji Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2005 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$7,119,018 in fiscal 2004 to \$7,456,682 in fiscal 2005, while General Fund expenditures increased from \$7,444,636 in fiscal year 2004 to \$7,501,869 in fiscal 2005.
- The increase in General Fund revenues was attributable to an increase in tuition revenues and state foundation aid. The increase in expenditures was due primarily to an increase in the negotiated salary and benefits. The General Fund balance decreased slightly due to increased costs.
- The School Infrastructure Local Option Sales Tax continues to generate funds for the District. These monies are being used for construction and improvement of district facilities. This tax allows the District to update its facilities without raising property taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The statements for governmental funds explain how basic services, such as regular and special education, were financed in the short term, as well as what remains for future spending.
- The statement for proprietary funds offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

Other Supplementary Information provides detailed information about the non-major Special Revenue Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Okoboji Community School District

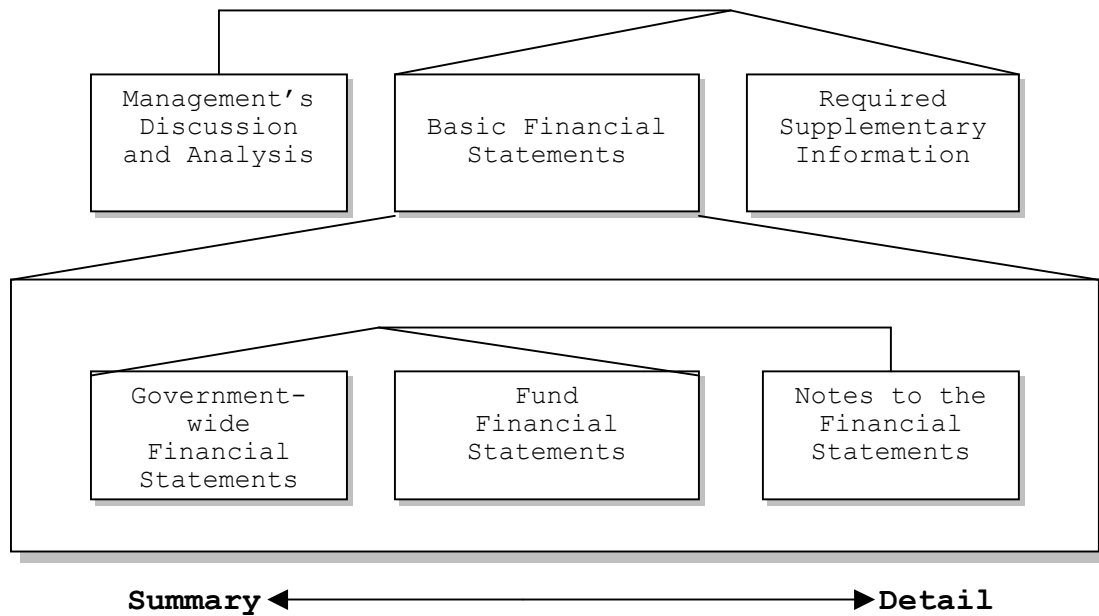


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain the remainder of this overview section of the management discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses, such as food service	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	. Statement of net assets . Statement of activities	. Balance sheet . Statement of revenues, expenditures, and changes in fund balances	. Statement of net assets . Statement of revenues, expenses and changes in net assets . Statement of cash flows	. Statement of fiduciary net assets . Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The two government-wide statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid, finance most of these activities.
- **Business-type activities:** The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

- 1) **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how much cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.
- 2) **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trusts.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund. The District currently has two fiduciary funds, the Scholarship Fund and the Needs Fund.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2005 compared to June 30, 2004.

Figure A-3
Condensed Statement of Net Assets
(expressed in thousands)

	Governmental		Business-type		Total		Percentage
	Activities		Activities		School District		Change
	2005	2004	2005	2004	2005	2004	2004-2005
	\$	\$	\$	\$	\$	\$	%
Current assets	9,220	8,794	108	95	9,328	8,889	4.71%
Capital assets	12,590	11,997	79	89	12,669	12,086	4.60%
Total assets	21,810	20,791	187	184	21,997	20,975	4.65%
Current liabilities	6,593	6,257	-	5	6,593	6,262	5.02%
Non-current liabilities	4,838	5,253	-	-	4,838	5,253	-8.58%
Total liabilities	11,431	11,510	-	5	11,431	11,515	-0.73%
Net Assets							
Invested in capital assets, net of related debt	8,055	7,368	79	89	8,134	7,457	8.32%
Restricted	1,512	1,159	-	-	1,512	1,159	23.35%
Unrestricted	812	754	108	90	920	844	8.26%
Total net assets	10,379	9,281	187	179	10,566	9,460	10.47%

Total net assets increased over 8% due primarily to two factors - continued collection of local option sales tax and continued investment by the District in its capital assets. Purchases of capital assets require current resources. However, their cost is spread out over the useful life of the asset.

Changes in net assets - figure A-4 shows the changes in net assets for the year ended June 30, 2005.

Figure A-4
Change in Net Assets
(expressed in thousands)

	Governmental Activities	Business-type Activities	Total School District
	\$	\$	\$
Revenues:			
Program revenues:			
Charges for service and sales	430	188	618
Operating grants, contributions and restricted interest	970	128	1,098
General revenues:			
Property tax	5,235	-	5,235
Income surtax	87	-	87
Local option sales tax	1,193	-	1,193
Unrestricted state grants	1,694	-	1,694
Unrestricted investment earnings	34	-	34
Other	10	-	10
Total revenues	9,653	316	9,969
Program expenses:			
Governmental activities:			
Instruction	5,324	-	5,324
Support Services	2,192	-	2,192
Non-instructional programs	-	308	308
Other expenses	1,038	-	1,038
Total expenses	8,554	308	8,862
Change in net assets	1,099	8	1,107

Property tax and unrestricted state grants account for 70% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 85% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$9,652,806 and expenses were \$8,554,033.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses.

	Total Cost of Services	Net Cost of Services
	\$	\$
Instruction	5,324	4,251
Support Services	2,192	2,175
Other expenses	1,038	728
Totals	8,554	7,154

- The cost financed by users of the District's programs was \$430,235.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$676,762.
- The net cost of governmental activities was financed with \$5,234,794 in property tax, and \$1,693,987 in state foundation aid.

Business-Type Activities

Revenues of the District's business-type activities were \$316,660 and expenses were \$308,388. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2005, the balance in the School Nutrition Fund increased by 5%.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted Okoboji Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$10,379,532, a twelve percent increase over last year's ending fund balances of \$9,280,759. The primary reasons were the use of current revenues to acquire capital assets that will continue to serve the District over an extended period of time and continued accumulation of sales tax revenues for property tax relief and school infrastructure project.

Governmental Fund Highlights

- The District's General Fund balance decreased as a result of declining enrollment and inadequate increases in funding. Allowable growth of 4% is inadequate to maintain current programs without dipping into reserves.
- The District continues to improve its facilities primarily through the use of local option sales tax revenues.
- The District's resident enrollment decreased by almost 60 students. This was partially offset by a net gain of 24 of open enrolled students in versus open enrolled out.
- PPEL monies were used for a variety of projects throughout the District spending more than revenues received was part of the District's planning.

Proprietary Fund Highlights

The School Nutrition fund increased 5% during the year. The Nutrition Fund completed a second straight year of not requiring assistance from the General Fund.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison on pages 35 and 36. The District did not exceed budgeted amounts nor did it exceed its statutory spending authority.

Legal Budgetary Highlights

The District's receipts were over \$161,000 less than budgeted receipts, a variance of less than 2%. The most significant variance resulted from the District receiving less Federal aid than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the District had invested \$12.7 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 5% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$472,650.

The original cost of the District's capital assets was \$18,773,413. Governmental funds account for \$18,500,030, with the remainder of \$273,383 accounted for in the Proprietary, School Nutrition Fund.

Figure A-6
Condensed Statement of Net Assets
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2005	2004	2005	2004	2005	2004	2004-2005
	\$	\$	\$	\$	\$	\$	
Land	137	137	-	-	137	137	0.00%
Site improvements	303	310	-	-	303	310	-2.26%
Buildings	11,745	7,653	-	-	11,745	7,653	53.47%
Furniture and equipment	404	397	79	89	483	486	-0.62%
Construction in progress	-	3,500	-	-	-	3,500	-100.00%
Totals	<u>12,589</u>	<u>11,997</u>	<u>79</u>	<u>89</u>	<u>12,668</u>	<u>12,086</u>	<u>4.82%</u>

Long-Term Debt

At June 30, 2005, the District had over \$4.8 million in general obligation bonds, revenue bonds and other long-term debt outstanding. This represents a decrease of approximately 8% from last year (See Figure A-7). Revenue bonds of \$3,985,000 were issued to retire existing debt carrying higher interest rates. Local banks purchased these bonds which should make the repayment process simpler. Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

Figure A-7
Outstanding Long-Term Obligations
(expressed in thousands)

	Total		Total
	District		Change
	June 30,		June 30,
	2005	2004	2004-2005
	\$	\$	
General obligation bonds	550	900	-38.89%
Early retirement	303	338	-10.36%
Revenue anticipation loan	-	500	-100.00%
Revenue bonds	3,985	3,515	13.37%
Total	4,838	5,253	-7.90%

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- The District has experienced decreasing enrollment the past several years. Allowable growth of 4% is inadequate to maintain existing programs without dipping into reserves.
- Health insurance continues to be a very costly item to the District. The District continues to explore options for more affordable coverage.
- Unfunded mandates are stretching the limits of not only the financial health of the District, but also the human resources aspect of the District. "No Child Left Behind", "Student Achievement and Teacher Quality Act", and "GASB 34", to name a few.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Katy Sporrer, Business Manager, Okoboji Community School District, 1205 7th Street, Milford, IA 51351.

Basic Financial Statements

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2005

	Governmental Activities	Business-Type Activities	Total
	\$	\$	\$
Assets			
Cash and pooled investments	3,044,083	99,057	3,143,140
Receivables:			
Property tax			
Current year	62,965	-	62,965
Succeeding year	5,841,532	-	5,841,532
Income surtax - succeeding year	82,000	-	82,000
Due from other governments	187,783	-	187,783
Other receivables	2,247	-	2,247
Inventories	-	9,305	9,305
Capital assets, net of accumulated depreciation (note 3)	12,589,678	79,181	12,668,859
Total assets	<u>21,810,288</u>	<u>187,543</u>	<u>21,997,831</u>
Liabilities			
Accounts payable	44,960	-	44,960
Accrued payroll and benefits	705,503	-	705,503
Accrued interest payable	690	-	690
Deferred revenue:			
Succeeding year property tax	5,841,532	-	5,841,532
Long term liabilities:			
Portion due within one year:			
Early retirement	53,771	-	53,771
General obligation bonds	365,000	-	365,000
Revenue bonds	608,509	-	608,509
Portion due after one year:			
Early retirement	249,300	-	249,300
General obligation bonds	185,000	-	185,000
Revenue bonds	3,376,491	-	3,376,491
Total liabilities	<u>11,430,756</u>	<u>-</u>	<u>11,430,756</u>
Net Assets			
Invested in capital assets, net of related debt	8,054,678	79,181	8,133,859
Restricted for:			
Management fund	282,832	-	282,832
Debt service	46,846	-	46,846
Capital projects	1,182,945	-	1,182,945
Unrestricted	812,231	108,362	920,593
Total net assets	<u>10,379,532</u>	<u>187,543</u>	<u>10,567,075</u>

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2005

		Program Revenues		Governmental Activities	Business-Type Activities	Total
		Charges for Service	Operating Grants, Contributions and Restricted Interest			
Expenses						
\$		\$	\$	\$	\$	\$
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	3,353,571	245,714	277,582	(2,830,275)	-	(2,830,275)
Special instruction	1,251,556	184,521	102,049	(964,986)	-	(964,986)
Other instruction	718,425	-	262,765	(455,660)	-	(455,660)
	<u>5,323,552</u>	<u>430,235</u>	<u>642,396</u>	<u>(4,250,921)</u>	<u>-</u>	<u>(4,250,921)</u>
Support services:						
Student services	298,795	-	5,022	(293,773)	-	(293,773)
Instructional staff services	265,083	-	-	(265,083)	-	(265,083)
Administration services	801,969	-	-	(801,969)	-	(801,969)
Operation and maintenance of plant services	600,245	-	12,782	(587,463)	-	(587,463)
Transportation services	226,331	-	-	(226,331)	-	(226,331)
	<u>2,192,423</u>	<u>-</u>	<u>17,804</u>	<u>(2,174,619)</u>	<u>-</u>	<u>(2,174,619)</u>
Other expenditures:						
Facilities acquisition	22,811	-	6,165	(16,646)	-	(16,646)
Interest on long-term debt	258,006	-	13,586	(244,420)	-	(244,420)
Long-term debt services	4,164	-	-	(4,164)	-	(4,164)
AEA flowthrough	290,336	-	290,336	-	-	-
Depreciation (unallocated)*	462,741	-	-	(462,741)	-	(462,741)
	<u>1,038,058</u>	<u>-</u>	<u>310,087</u>	<u>(727,971)</u>	<u>-</u>	<u>(727,971)</u>
Total governmental activities	8,554,033	430,235	970,287	(7,153,511)	-	(7,153,511)

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2005

	Program Revenues				
		Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business-Type Activities	Total
Expenses	Charges for Service				
\$	\$	\$	\$	\$	\$
Business-Type activities:					
Non-instructional programs:					
Nutrition services	308,388	188,362	128,298	-	8,272
Total	8,862,421	618,597	1,098,585	(7,153,511)	8,272
General revenues:					
Property tax levied for:					
General purposes			4,505,434	-	4,505,434
Management Fund			152,395	-	152,395
Capital outlay			208,446	-	208,446
Debt service			368,519	-	368,519
Income surtax			87,470	-	87,470
School Infrastructure Local Option Sales Tax			1,192,544	-	1,192,544
Unrestricted state grants			1,693,987	-	1,693,987
Unrestricted investment earnings			33,701	-	33,701
Other			9,788	-	9,788
Total general revenue			8,252,284	-	8,252,284
Change in net assets			1,098,773	8,272	1,107,045
Net assets beginning of year			9,280,759	179,271	9,460,030
Net assets end of year			10,379,532	187,543	10,567,075

* This amount excludes the depreciation that is included in the direct expense of the various programs.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2005

	General	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
	\$	\$	\$	\$	\$
Assets					
Cash and pooled investments	1,363,272	34,594	1,083,797	551,122	3,032,785
Receivables:					
Property tax:					
Current year	44,772	12,252	-	5,941	62,965
Succeeding year	5,066,362	375,126	-	400,044	5,841,532
Income surtax - succeeding year	82,000	-	-	-	82,000
Due from other governments	88,635	-	99,148	-	187,783
Other receivables	-	-	-	2,247	2,247
Total assets	<u>6,645,041</u>	<u>421,972</u>	<u>1,182,945</u>	<u>959,354</u>	<u>9,209,312</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	40,559	-	-	4,401	44,960
Accrued payroll and benefits	705,503	-	-	-	705,503
Deferred revenue:					
Succeeding year property tax	5,066,362	375,126	-	400,044	5,841,532
Succeeding year income surtax	82,000	-	-	-	82,000
Total liabilities	<u>5,894,424</u>	<u>375,126</u>	<u>-</u>	<u>404,445</u>	<u>6,673,995</u>
Fund balances:					
Reserved for:					
Debt service	-	46,846	-	-	46,846
Capital projects	-	-	1,182,945	-	1,182,945
Unreserved	750,617	-	-	554,909	1,305,526
Total fund balances	<u>750,617</u>	<u>46,846</u>	<u>1,182,945</u>	<u>554,909</u>	<u>2,535,317</u>
Total liabilities and fund balances	<u>6,645,041</u>	<u>421,972</u>	<u>1,182,945</u>	<u>959,354</u>	<u>9,209,312</u>

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets

June 30, 2005

Total fund balances of governmental funds (Exhibit C)		\$ 2,535,317
Amounts reported for governmental activities in the statement of net assets are different because:		
Income surtax receivable at June 30, 2005 is not recognized as income until received in the governmental funds, however it is shown as a receivable in the Statement of Net Assets.		82,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		12,589,678
An internal service fund is used by the District's management to charge the costs of the employee flexible benefit program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		11,298
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(690)
Long-term liabilities, including compensated absences and early retirement, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Early retirement	\$ (303,071)	
General obligation bonds	(550,000)	
Revenue bonds	<u>(3,985,000)</u>	<u>(4,838,071)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 10,379,532</u>

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Fund Types

Year ended June 30, 2005

	General	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
	\$	\$	\$	\$	\$
Revenues:					
Local sources:					
Local tax	4,600,904	368,519	1,192,544	360,841	6,522,808
Tuition	404,145	-	-	-	404,145
Other	81,284	13,384	6,165	260,946	361,779
State sources	2,249,904	202	-	198	2,250,304
Federal sources	120,445	-	-	-	120,445
Total revenues	<u>7,456,682</u>	<u>382,105</u>	<u>1,198,709</u>	<u>621,985</u>	<u>9,659,481</u>
Expenditures:					
Instruction:					
Regular instruction	3,357,958	-	-	39,909	3,397,867
Special instruction	1,251,556	-	-	-	1,251,556
Other instruction	481,604	-	-	236,821	718,425
	<u>5,091,118</u>	<u>-</u>	<u>-</u>	<u>276,730</u>	<u>5,367,848</u>
Support services:					
Student services	298,795	-	-	-	298,795
Instructional staff services	243,794	-	-	21,289	265,083
Administration services	739,323	-	-	62,646	801,969
Operation and maintenance of plant services	621,729	-	-	94,399	716,128
Transportation services	216,774	-	-	9,557	226,331
	<u>2,120,415</u>	<u>-</u>	<u>-</u>	<u>187,891</u>	<u>2,308,306</u>
Other expenditures:					
Facilities acquisition and construction services	-	-	713,847	248,514	962,361
Principal on long-term debt	-	1,205,000	-	-	1,205,000
Interest on long-term debt	-	263,390	-	-	263,390
Long-term debt services	-	4,164	-	-	4,164
AEA flowthrough	290,336	-	-	-	290,336
	<u>290,336</u>	<u>1,472,554</u>	<u>713,847</u>	<u>248,514</u>	<u>2,725,251</u>
Total expenditures	<u>7,501,869</u>	<u>1,472,554</u>	<u>713,847</u>	<u>713,135</u>	<u>10,401,405</u>

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Fund Types

Year ended June 30, 2005

	General	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
	\$	\$	\$	\$	\$
Excess (Deficiency) of revenues over (under) expenditures	(45,187)	(1,090,449)	484,862	(91,150)	(741,924)
Other financing sources (uses):					
Sale of equipment and materials	1,325	-	-	-	1,325
Revenue bonds issued	-	-	3,985,000	-	3,985,000
Bond issuance costs	-	-	(18,440)	-	(18,440)
Escrowed for bond defeasance	-	-	(3,222,663)	-	(3,222,663)
Operating transfers in	-	331,440	-	-	331,440
Operating transfers out	-	-	(331,440)	-	(331,440)
Total other financing sources (uses)	1,325	331,440	412,457	-	745,222
Net change in fund balances	(43,862)	(759,009)	897,319	(91,150)	3,298
Fund balances beginning of year	794,479	805,855	285,626	646,059	2,532,019
Fund balances end of year	750,617	46,846	1,182,945	554,909	2,535,317

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities

Year ended June 30, 2005

Net change in fund balances - total governmental funds (Exhibit E) \$ 3,298

**Amounts reported for governmental activities in the
statement of activities are different because:**

Income surtax receivable at June 30, 2005 is not recognized as income until received in the governmental funds, however it is shown as a revenue in the Statement of Activities. (8,000)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 1,055,433	
Depreciation expense	<u>(462,741)</u>	592,692

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:

Issued	(3,985,000)	
Repaid	<u>4,365,000</u>	380,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is reported as an expenditure in the funds when due. In the Statement of Activities, interest expense is recorded as the interest accrues, regardless of when it is due. 86,487

An internal service fund is used by the District to charge the costs of the employee flexible benefit program to the individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities. 9,529

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement		<u>34,767</u>
------------------	--	---------------

Change in net assets of governmental activities (Exhibit B) \$ 1,098,773

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

Proprietary Funds

June 30, 2005

	Enterprise Fund	Governmental Activities
	School Nutrition	Internal Service
	\$	
Assets		
Cash and pooled investments	99,057	11,298
Inventories	9,305	-
Capital assets, net of accumulated depreciation	79,181	-
Total assets	187,543	11,298
Liabilities	-	-
Net Assets		
Invested in capital assets, net of related debt	79,181	-
Unrestricted	108,362	11,298
Total net assets	187,543	11,298

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

Year ended June 30, 2005

	Business Type	Governmental Activities
	School Nutrition	Internal Service
	\$	\$
Operating revenue:		
Local sources:		
Charges for services	188,362	89,185
Operating expenses:		
Non-instructional programs:		
Food service operations:		
Salaries	104,569	-
Benefits	40,428	-
Services	9,801	-
Supplies	143,681	-
Depreciation	9,909	-
	308,388	-
Internal service programs:		
Benefits	-	79,656
Total operating expenses	308,388	79,656
Operating profit (loss)	(120,026)	9,529
Non-operating revenues:		
Local sources	2,102	-
State sources	5,108	-
Federal sources	121,088	-
	128,298	-
Net change in assets	8,272	9,529
Net assets beginning of year	179,271	1,769
Net assets end of year	187,543	11,298

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2005

	Enterprise School Nutrition \$	Internal Service Health Insurance \$
Cash flows from operating activities:		
Cash received from sale of services	186,096	89,185
Cash payments to employees for services	(144,997)	(80,563)
Cash payments to suppliers for goods or services	(148,483)	-
Net cash provided by (used in) operating activities	(107,384)	8,622
Cash flows from non-capital financing activities:		
State grants received	5,108	-
Federal grants received	116,946	-
Net cash provided by non-capital financing activities	122,054	-
Cash flows from capital financing activities:		
Interest on investments	2,102	-
Net increase (decrease) in cash and cash equivalents	16,772	8,622
Cash and cash equivalents beginning of year	82,285	2,676
Cash and cash equivalents end of year	99,057	11,298
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	(120,026)	9,529
Adjustments to reconcile operating profit (loss) to net cash provided by (used in) operating activities:		
Depreciation	9,909	-
Commodities used	4,142	-
Decrease in other receivables	112	-
Decrease in interfund receivable	2,685	-
Decrease in inventory	866	-
(Decrease) in accounts payable	(8)	-
(Decrease) in deferred revenue	(5,064)	-
	(107,384)	9,529
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:		
Current assets:		
Cash	99,057	11,298

Non-cash investing, capital and financing activities:

During the year ended June 30, 2005, the District received federal commodities valued at \$4,142.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

Year ended June 30, 2005

	Private Purpose Trust Scholarship and Special Needs
	<u>\$</u>
Assets	
Cash	<u>30,335</u>
Liabilities	<u>-</u>
Net assets	
Reserved for scholarships	28,185
Unreserved	<u>2,150</u>
Total net assets	<u><u>30,335</u></u>

OKOBOJI COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

Year ended June 30, 2005

	Private Purpose Trust Scholarship and Special Needs
	<u>\$</u>
Additions:	
Local sources:	
Interest on investments	291
Contributions	<u>5,600</u>
Total additions	<u>5,891</u>
Deductions:	
Support services:	
Other	<u>5,626</u>
Total deductions	<u>5,626</u>
Change in net assets	265
Net assets beginning of year	<u>30,070</u>
Net assets end of year	<u><u>30,335</u></u>

See notes to financial statements.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies

The Okoboji Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors summer recreational activities. The geographic area served includes the Cities of Milford, Arnolds Park, Fostoria, West Okoboji and Wahpeton, Iowa, and agricultural area in Dickinson and Clay Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Okoboji Community School District has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Okoboji Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dickinson County Assessor's Conference Board.

B. Basis of Presentation

Government-wide financial statements - The Statements of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Debt Service Fund is used to account for the payment of interest and principal on the District's long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

The District's proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The internal service fund is also reported as a proprietary fund. The internal service fund is used to account for the District's employee benefit cafeteria plan.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements, which require income earned to be used to benefit individuals through scholarship awards and the purchase of items for students with personal needs.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected with 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sale and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statement of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

Cash Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in Governmental Funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking the budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2003 assessed property valuations; is for the tax accrual period July 1, 2004 through June 30, 2005 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2004.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa and grants from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Land	\$ -
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-12 years

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulated a limited amount of earned but unused vacation for subsequent use. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employees that have resigned or retired. The compensated absences liability is deemed to be immaterial at June 30, 2005.

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. Disbursements did not exceed the amounts budgeted in any of the four functions.

(2) **Cash and Investments**

The District's deposits in banks at June 30, 2005 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had no investments at June 30, 2005.

(3) **Capital Assets**

Capital assets activity for the year ended June 30, 2005 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>137,016</u>	<u>-</u>	<u>-</u>	<u>137,016</u>
Capital assets being depreciated:				
Buildings	11,542,693	4,411,071	-	15,953,764
Improvements other than buildings	680,531	28,536	-	709,067
Furniture and Equipment	1,584,300	115,883	-	1,700,183
Construction in progress	<u>3,500,057</u>	<u>-</u>	<u>3,500,057</u>	<u>-</u>
Total capital assets being depreciated	<u>17,307,581</u>	<u>4,555,490</u>	<u>3,500,057</u>	<u>18,363,014</u>
Less accumulated depreciation for:				
Buildings	3,889,448	319,075	-	4,208,523
Improvements other than buildings	370,431	35,303	-	405,734
Furniture and Equipment	<u>1,187,732</u>	<u>108,363</u>	<u>-</u>	<u>1,296,095</u>
Total accumulated depreciation	<u>5,447,611</u>	<u>462,741</u>	<u>-</u>	<u>5,910,352</u>
Total capital assets being depreciated, net	<u>11,859,970</u>	<u>4,092,749</u>	<u>3,500,057</u>	<u>12,452,662</u>
Governmental activities, capital assets, net	<u>11,996,986</u>	<u>4,092,749</u>	<u>3,500,057</u>	<u>12,589,678</u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Business type activities:				
Furniture and equipment	293,208	-	19,825	273,383
Less accumulated depreciation	<u>204,118</u>	<u>9,909</u>	<u>19,825</u>	<u>194,202</u>
Business type activities capital assets, net	<u>89,090</u>	<u>(9,909)</u>	<u>-</u>	<u>79,181</u>

Depreciation expense was charged to the following functions:

Governmental activities:

Unallocated 462,741

Business Type activities:

Food service operations 9,909

(4) General Obligation Bonds Payable

Details of the District's June 30, 2005 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Interest Rate %	Principal \$	Interest \$	Total
2006	1.70-1.75	365,000	8,283	373,283
2007	1.90	<u>185,000</u>	<u>1,758</u>	<u>186,758</u>
Total		<u>550,000</u>	<u>10,041</u>	<u>560,041</u>

(5) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2005 is as follows:

	Early Retirement \$	General Obligation Bonds \$	Revenue Bond Anticipation Notes \$	Revenue Bonds \$	Total \$
Balance beginning of year	337,838	900,000	500,000	3,515,000	5,252,838
Additions	25,888	-	-	3,985,000	4,010,888
Reductions	<u>60,655</u>	<u>350,000</u>	<u>500,000</u>	<u>3,515,000</u>	<u>4,425,655</u>
Balance end of year	<u>303,071</u>	<u>550,000</u>	<u>-</u>	<u>3,985,000</u>	<u>4,838,071</u>

(6) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual payroll. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$258,089, \$242,216, and \$231,803 respectively, equal to the required contributions for each year.

(7) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$290,336 for year ended June 30, 2005 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(8) Early Retirement

The District offers a voluntary early retirement program plan to all its certified employees. Eligible employees must be at least age fifty-five and must have completed fifteen years of continuous service to the District, except for administrators who must have completed 5 years. Employees must complete an application which is subject to approval by the Board of Education. Early retirement incentives include the payment of health insurance premiums, at a fixed amount, by the District until age sixty-five. Early retirement expenditures for the year ended June 30, 2005 totaled \$60,655.

(9) Revenue Bonds Payable

Details of the District's June 30, 2005 local option sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of June 2005			
	Interest	Principal	Interest	Total
	Rate %			
2006	3.757	608,509	128,781	737,290
2007	3.757	688,086	114,872	802,958
2008	3.757	714,338	88,620	802,958
2009	3.757	741,591	61,367	802,958
2010	3.757	769,884	33,074	802,958
2011	3.757	462,592	5,800	468,392
		<u>3,985,000</u>	<u>433,514</u>	<u>4,417,514</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. The debt, however, is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services revenue bonds include the following provisions:

- The bonds will only be redeemed from the future earnings of the local option sales tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- Bonds maturing after January 1, 2008, from the May 1, 2001 issue will be called for redemption by the issuer and paid before maturity on said date. The District issued a 3,985,000 of new revenue bonds on June 30, 2005 to pay off the Anticipation Note and the old bond issue. As of June 30, 2005 \$3,160,000 of the May 1, 2001 issue are considered to be defeased sufficient funds have been placed in trust accounts to service this debt.
- \$398,500 of the proceeds from the bond issue have been placed in a reserve account. The reserve account may be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The reserve is part of the District's Debt Service Fund.

- Proceeds from the local option sales and services tax shall be placed in an account that shall be used to pay the interest and principal on the bonds. Any surplus monies remaining in the revenue fund at the end of a quarter may be used for any lawful purpose for which the local option sales tax may be used or may be used to redeem the bonds in accordance with their terms. The fund is part of the Debt Service Fund.

(10) Local Option Sales and Services Tax Revenue Bond Anticipation Note

In May 2004 the District issued \$500,000 of local option sales and services tax revenue bond anticipation notes. The note proceeds are being used to complete the construction and equipping of the new gymnasium at the high school. These notes were repaid with proceeds of the bond defeasance in June 2005.

(11) Interfund Transfers

The detail of Interfund transfers for the year ended June 30, 2005 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	<u>\$331,440</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(12) Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Required Supplementary Information

OKOBOJI COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances -
Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2005

	Governmental Fund Types	Proprietary Fund Type	Total	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
	Actual	Actual	Actual	Original	Final	
	\$	\$	\$	\$	\$	\$
Receipts:						
Local sources	7,310,864	188,198	7,499,062	7,439,973	7,439,973	59,089
State sources	2,250,304	5,108	2,255,412	2,325,128	2,325,128	(69,716)
Federal sources	120,445	116,946	237,391	388,000	388,000	(150,609)
Total receipts	<u>9,681,613</u>	<u>310,252</u>	<u>9,991,865</u>	<u>10,153,101</u>	<u>10,153,101</u>	<u>(161,236)</u>
Disbursements:						
Instruction	5,585,095	-	5,585,095	6,237,000	6,237,000	651,905
Support services	2,058,306	-	2,058,306	2,066,000	2,066,000	7,694
Non-instructional programs	-	293,480	293,480	400,000	400,000	106,520
Other expenditures	2,975,251	-	2,975,251	4,384,442	4,384,442	1,409,191
Total disbursements	<u>10,618,652</u>	<u>293,480</u>	<u>10,912,132</u>	<u>13,087,442</u>	<u>13,087,442</u>	<u>2,175,310</u>
Excess (deficiency) of receipts over (under) disbursements	(937,039)	16,772	(920,267)	(2,934,341)	(2,934,341)	2,014,074
Other financing sources (uses)	<u>745,222</u>	<u>-</u>	<u>745,222</u>	<u>1,670,000</u>	<u>1,670,000</u>	<u>(924,778)</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(191,817)	16,772	(175,045)	(1,264,341)	(1,264,341)	1,089,296
Balance beginning of year	<u>3,224,602</u>	<u>82,285</u>	<u>3,306,887</u>	<u>3,318,659</u>	<u>3,318,659</u>	<u>(11,772)</u>
Balance end of year	<u><u>3,032,785</u></u>	<u><u>99,057</u></u>	<u><u>3,131,842</u></u>	<u><u>2,054,318</u></u>	<u><u>2,054,318</u></u>	<u><u>1,077,524</u></u>

See accompanying independent auditor's report.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2005

	Governmental Fund Type		
	Cash	Accrual	Modified
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
	\$	\$	\$
Revenues	9,681,613	(22,132)	9,659,481
Expenditures	<u>10,618,652</u>	<u>(217,247)</u>	<u>10,401,405</u>
Net	(937,039)	195,115	(741,924)
Other financing sources (uses)	745,222	-	745,222
Beginning fund balances	<u>3,224,602</u>	<u>(692,583)</u>	<u>2,532,019</u>
Ending fund balances	<u><u>3,032,785</u></u>	<u><u>(497,468)</u></u>	<u><u>2,535,317</u></u>

	Proprietary Fund Type		
	Enterprise		
	Cash	Accrual	Accrual
	<u>Basis</u>	<u>Adjustments</u>	<u>Basis</u>
	\$	\$	\$
Revenues	310,252	6,408	316,660
Expenditures	<u>293,480</u>	<u>14,908</u>	<u>308,388</u>
Net	16,772	(8,500)	8,272
Beginning fund balances	<u>82,285</u>	<u>96,986</u>	<u>179,271</u>
Ending fund balances	<u><u>99,057</u></u>	<u><u>88,486</u></u>	<u><u>187,543</u></u>

See accompanying independent auditor's report.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2005

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2005, disbursements did not exceed the amount budgeted in any of the four functions. The District did not exceed the General Fund unspent authorized budget.

Other Supplementary Information

OKOBOJI COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	Management	Student	Physical Plant and Equipment Levy	Total
	\$	\$	\$	\$
Assets				
Cash and investments	281,245	115,711	154,166	551,122
Property tax receivable:				
Current year	1,587	-	4,354	5,941
Succeeding year	195,000	-	205,044	400,044
Other receivables	-	2,247	-	2,247
Total assets	<u>477,832</u>	<u>117,958</u>	<u>363,564</u>	<u>959,354</u>
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	-	4,401	-	4,401
Deferred revenue:				
Succeeding year property tax	195,000	-	205,044	400,044
	<u>195,000</u>	<u>4,401</u>	<u>205,044</u>	<u>404,445</u>
Fund equity:				
Unreserved fund balance	282,832	113,557	158,520	554,909
	<u>282,832</u>	<u>113,557</u>	<u>158,520</u>	<u>554,909</u>
Total liabilities and fund equity	<u>477,832</u>	<u>117,958</u>	<u>363,564</u>	<u>959,354</u>

See accompanying independent auditor's report.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended June 30, 2005

	Management	Student Activity	Physical Plant and Equipment Levy	Total
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	152,395	-	208,446	360,841
Other	7,567	248,362	5,017	260,946
State sources	87	-	111	198
Total revenues	<u>160,049</u>	<u>248,362</u>	<u>213,574</u>	<u>621,985</u>
Expenditures:				
Instruction:				
Regular instruction	33,107	-	6,802	39,909
Co-curricular instruction	-	236,821	-	236,821
Support services:				
Student support services	-	-	-	-
Instructional staff support	-	-	21,289	21,289
Administration services	62,646	-	-	62,646
Plant operation and maintenance	55,966	-	38,433	94,399
Student transportation	9,557	-	-	9,557
Other expenditures:				
Facilities acquisition and construction	-	-	248,514	248,514
Total expenditures	<u>161,276</u>	<u>236,821</u>	<u>315,038</u>	<u>713,135</u>
Excess (deficiency) of revenues over (under) expenditures	(1,227)	11,541	(101,464)	(91,150)
Fund balances beginning of year	<u>284,059</u>	<u>102,016</u>	<u>259,984</u>	<u>646,059</u>
Fund balances end of year	<u><u>282,832</u></u>	<u><u>113,557</u></u>	<u><u>158,520</u></u>	<u><u>554,909</u></u>

See accompanying independent auditor's report.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2005

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	\$	\$	\$	\$
All School Play	972	966	1,002	936
HS Debate	5,410	4,831	5,673	4,568
Show Choir	759	918	1,624	53
Jazz Band	1,442	2,007	3,031	418
Musical	3	2,057	2,060	-
Cross Country	289	553	21	821
Golf	18	365	112	271
Boys Basketball	715	13,771	10,422	4,064
Football	3,613	9,774	7,503	5,884
Baseball	(50)	4,058	3,813	195
Boys Track	18	1,158	878	298
Wrestling	1,587	9,914	10,318	1,183
Girls Basketball	5,960	10,312	12,082	4,190
Volleyball	3	3,180	2,736	447
Softball	(270)	8,746	7,527	949
Girls Track	613	1,451	761	1,303
Class of 2003	376	-	63	313
Class of 2004	560	-	-	560
Class of 2005	1,009	330	1,174	165
Class of 2006	529	535	866	198
Class of 2007	318	335	4	649
Class of 2008	-	420	4	416
Pictures	456	-	-	456
Activity Tickets	1,104	11,570	10,975	1,699
Interest	-	3,059	2,072	987
Concessions	1,120	23,948	22,987	2,081
Student Pop	11,980	18,033	16,342	13,671
Pioneer Club	6,950	27,990	28,335	6,605
Student Council	510	767	197	1,080
Student Council Milk	-	5,876	4,931	945
Cheerleaders	158	4,284	3,146	1,296
Drill Team	4,514	5,787	8,173	2,128
Annual	8,257	12,040	11,858	8,439
Spanish Club	10,041	11,021	12,282	8,780
Science Club	852	308	-	1,160
FFA	10,350	25,092	24,832	10,610
Culinary Arts	773	1,930	1,911	792
Thespian Club	3,473	1,036	792	3,717
Art Appreciation	36	700	-	736
Junior Magazine Sales	13	5,476	5,489	-
Academic Awards	850	100	770	180
Key Club	909	1,284	368	1,825

OKOBOJI COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2005

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
	\$	\$	\$	\$
HS Spec Ed Club	-	1,163	308	855
Business Club	-	1,270	189	1,081
Elementary	10,162	5,899	4,299	11,762
EL/MS Special Ed Club	1,314	625	233	1,706
Elementary Software	2,450	-	1,570	880
Elementary K-Kids Club	-	507	64	443
MS Student Senate	859	1,096	864	1,091
MS Concessions	1,011	1,512	1,937	586
MS Builders Club	-	308	223	85
Totals	<u>102,016</u>	<u>248,362</u>	<u>236,821</u>	<u>113,557</u>

See accompanying independent auditor's report.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

	Years ended June 30,			
	2005	2004	2003	2002
	\$	\$	\$	\$
Local sources:				
Local tax	6,522,808	6,212,458	5,792,852	4,713,103
Tuition	404,145	271,723	254,818	178,933
Other	361,779	374,327	658,826	876,122
State sources	2,250,304	2,070,348	2,624,186	2,842,578
Federal sources	120,445	135,627	138,320	116,527
	<u>9,659,481</u>	<u>9,064,483</u>	<u>9,469,002</u>	<u>8,727,263</u>
Total revenues				
Expenditures:				
Instruction:				
Regular instruction	3,397,867	3,415,732	3,234,539	3,149,663
Special instruction	1,251,556	1,188,638	1,046,960	965,351
Other instruction	718,425	665,100	665,305	612,089
Support services:				
Student services	298,795	304,356	270,377	288,355
Instructional support services	265,083	250,005	229,762	184,714
Administration services	801,969	733,467	684,537	615,802
Operation and maintenance of plant services	716,128	640,696	545,513	601,015
Transportation services	226,331	289,369	194,993	229,131
Other expenditures:				
Facilities acquisition and construction	962,361	4,212,315	1,804,749	440,883
Long-term debt:				
Principal	1,205,000	685,000	655,000	555,505
Interest and other charges	267,554	203,522	254,540	211,077
AEA flowthrough	290,336	285,224	298,783	299,952
	<u>10,401,405</u>	<u>12,873,424</u>	<u>9,885,058</u>	<u>8,153,537</u>
Total expenditures				

See accompanying independent auditor's report.

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Board of Education of the
Okoboji Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Okoboji Community School District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated September 15, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Okoboji Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part I of the accompanying Schedule of Findings.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item 05-I-A is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Okoboji Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Okoboji Community School District and other parties to whom Okoboji Community School District may report, including federal awarding agencies and pass through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Okoboji Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BRUCE D. FRINK
Certified Public Accountant

September 15, 2005

OKOBOJI COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2005

Part I: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

05-I-A Segregation of Duties - During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the District's financial statements. We noted that one individual has custody of receipts and performs all record-keeping and reconciling functions for the office.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response - We will review procedures and investigate available alternatives.

Conclusion - Response acknowledged.

Part II: Other Findings Related to Required Statutory Reporting:

05-II-A Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2005.

05-II-B Certified Budget - Disbursements for the year ended June 30, 2005, did not exceed the certified budget amounts.

05-II-C Questionable Disbursements - We noted no disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

05-II-D Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Tom Clary	Vehicle wash	\$ 78
Board member	Welding/Repairs	\$2,023

The transaction with Mr. Clary does not appear to represent a conflict of interest since the transactions did not exceed the \$2,500 of purchases allowed by the Code of Iowa.

Recommendation - The District should review these types of transactions annually to avoid violations.

Response - We will review these types of transactions annually to avoid violations.

Conclusion - Response accepted.

OKOBOJI COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2005

Part II: Other Findings Related to Required Statutory Reporting:
(continued) :

- 05-II-E Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- 05-II-F Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- 05-II-G Board Minutes - We noted no transactions requiring Board approval which had not been approved by the Board.
- 05-II-H Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- 05-II-I Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- 05-II-J Certified Enrollment - We noted no variances in the basic enrollment data certified to the Department of Education.